

INVESTIGATION OF THE ADMINISTRATION OF ANTI-
TRUST AND MONOPOLY LAWS

AUGUST 6, 1959.—Ordered to be printed

Mr. HENNINGS, from the Committee on Rules and Administration,
submitted the following

R E P O R T

[To accompany S. Res. 144]

The Committee on Rules and Administration, to whom was referred the resolution (S. Res. 144) to investigate the administration of the antitrust and monopoly laws of the United States, having considered the same, report favorably thereon without amendment and recommend that the resolution be agreed to by the Senate.

This resolution would authorize the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary to expend through January 31, 1960, not to exceed \$30,000 in addition to the \$395,000 already authorized by Senate Resolution 57, 86th Congress, agreed to February 2, 1959, for the purposes of a continuing study of the administration of the antitrust laws of the United States, and a determination of whether or not there should be clarification and improved enforcement of same.

The purposes of the resolution are more fully detailed in a letter from Senator Estes Kefauver, chairman of the Subcommittee on Antitrust and Monopoly, to Senator James O. Eastland, chairman of the Committee on the Judiciary, which letter (with accompanying statement of expenditures) and letter of transmittal from Senator Eastland to Senator Thomas C. Hennings, Jr., chairman of the Committee on Rules and Administration, are as follows:

U.S. SENATE,
COMMITTEE ON THE JUDICIARY,
July 14, 1959.

Hon. THOMAS C. HENNINGS, Jr.,
Chairman, Committee on Rules and Administration,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The Committee on the Judiciary at its meeting of July 13, 1959, favorably reported Senate Resolution 144, amending Senate Resolution 57, 86th Congress, agreed to February 2, 1959, so as to raise the appropriation of the Antitrust and Monopoly Subcommittee from \$395,000 to \$425,000, an increase of \$30,000, in order to carry out additional contemplated activities of the Antitrust and Monopoly Subcommittee through January 31, 1960.

At the time the original resolution (S. Res. 57) was reported favorably to the Senate providing for the sum of \$395,000 for the activities of that subcommittee for the period February 1, 1959, through January 31, 1960, it was anticipated that that amount of money would take care of all expenses for the 12-month period. However, the investigative activities of the subcommittee have entailed additional expense not contemplated in the original budget estimate prepared by the subcommittee, and it appears that administrative expenses will sharply increase if present investigations and hearings are pursued.

The Subcommittee on Antitrust and Monopoly has been diligent in carrying out its responsibilities in the field of antitrust. In order that its work may be continued, and to prevent any curtailment in its present and projected activities, I deem it most important that the resolution reported yesterday authorizing an additional appropriation of \$30,000 in increased funds for the Subcommittee on Antitrust and Monopoly be approved by the Senate at the earliest possible date.

I am enclosing for the information of your committee a letter addressed to me from Senator Estes Kefauver, chairman of the subcommittee, outlining in detail the studies and investigations which are in process now and justifying the need for this additional appropriation.

With kindest regards, I am

Sincerely,

JAMES O. EASTLAND, *Chairman.*

U.S. SENATE,
COMMITTEE ON THE JUDICIARY,
SUBCOMMITTEE ON ANTITRUST AND MONOPOLY,
July 10, 1959.

Hon. JAMES O. EASTLAND,
Chairman, Committee on the Judiciary,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The Antitrust and Monopoly Subcommittee of the Committee on the Judiciary on June 24, 1959, approved an amendment to Senate Resolution 57 which will authorize an increased appropriation to the Antitrust and Monopoly Subcommittee of some \$30,000.

At present the Antitrust and Monopoly Subcommittee is operating at a monthly rate in excess of its budget. Senate Resolution 57

allowed the subcommittee \$395,000 for a 12-month period beginning February 1, 1959. This allowed the subcommittee a monthly average of some \$32,500.

Administrative expenses were originally anticipated and budgeted in the amount of approximately \$4,825 per month, which left a projected amount of \$27,675 for salaries per month. Although the subcommittee has held an unusual number of hearings to date, administrative expenditures have not been as great as anticipated, nor have expenses for travel and witness fees been as great as is anticipated in the future. This has been accomplished primarily because of the nature and character of the hearings held by the subcommittee as well as that of the witnesses who have been called by the subcommittee to testify. Although the situation has prevailed to date, it cannot be anticipated that it will continue and, in fact, it is expected that under projected operating procedure the administrative expenses of the subcommittee will sharply increase.

Whereas the projected sum of \$27,675 was budgeted for salaries per month, due principally to professional additions made to the staff, the subcommittee's payroll for the month of May had risen to \$31,661.82. This increase in the subcommittee's payroll came primarily from the added expense necessary to obtain the services of specially trained personnel needed for the subcommittee's investigation of the pricing practices of manufacturers of drug products. It is anticipated that this sizable payroll will continue unless it is necessarily curtailed because of the lack of funds.

For the information of the committee, since February the subcommittee has held hearings on the following subject matter:

1. *S. 11 and S. 138 (to amend the Clayton Act).*—Hearings held March 17, 18, 19, 20, and 21. On May 7, S. 11 was reported by the subcommittee to the full committee without recommendation.

2. *S. 442 and S. 1005 (premerger notification).*—Since hearings were held last session, the subcommittee reported S. 442 favorably on February 9. This bill was returned to the subcommittee by the full committee on March 2 for hearings and, subsequently, hearings were held March 5, 6, and 24. On May 7, S. 442 was again reported favorably to the full committee by the subcommittee.

3. *S. 716 and S. 1003 (empowering the Attorney General to compel the production of documents in civil antitrust suits).*—Hearings were held on March 3. On May 7, S. 716 was reported favorably to the full committee by the subcommittee. On June 29, S. 716 was approved with amendments, by the full committee and is to be filed on July 11 with the Senate.

4. *S. 726 (to make final Clayton Act orders).*—Due to the fact that hearings were held in the last session on this matter, no hearings were held this year on this bill. On February 9, the subcommittee reported S. 726 favorably to the full committee and the full committee approved and reported the matter to the Senate on March 5. On March 18, S. 726 was passed by the Senate and, as of last week, the Senate favorably concurred in S. 726 as amended by the House of Representatives.

5. *S. 838 and S. 839 (automobile finance bills).*—Hearings were held on these bills on February 24, 25, 26, 27, April 15, and 16. Due to the illness of Senator O'Mahoney, the subcommittee has deferred final action on these matters until the Senator's position can be finally made known to the subcommittee.

6. *S. 215 (price prenotification)*.—Hearings were held on this matter on April 23, 24, 28, 29, 30, May 1, 5, and 21. This matter is still pending before the subcommittee for determination.

7. *Hearings on administered price inflation and alternative public policies*.—Hearings begun in January were continued on March 10, 11, 12, and 13 and are still open before the subcommittee.

8. Insurance hearings dealing with ocean marine rating and State rate regulations, under the direction of Senator O'Mahoney, have been held by the subcommittee on May 13, 14, 15, 26, 27, 28, 29, and June 3. These hearings are projected to be completed either when Senator O'Mahoney returns to the subcommittee or under the direction of another Member during this session of the Congress.

9. *Administered price hearings in the bread industry*.—Hearings have thus far been held on June 16, 18, 30, and July 1, 2, 7, 8, 9, and 10. Projected hearings are to be held on this matter later in this session of the Congress.

In addition to continuing the hearings as indicated above, the subcommittee contemplates in the very near future it will begin hearings on S. 616 and S. 886 which deal with professional team sports and, after the Congress adjourns, hearings dealing with administered prices in the manufacturing and sales of drugs.

It is not my desire nor the desire of the other members of the Antitrust and Monopoly Subcommittee to curtail any of the present and projected activities of the Antitrust and Monopoly Subcommittee. However, unless additional funds can be secured, curtailment of such activities is an absolute necessity.

Attached is a copy of the expenditures of the Antitrust and Monopoly Subcommittee for February through May of this year, as well as a list of the payroll for July.

With kindest personal regards, I am

Sincerely,

ESTES KEFAUVER, *Chairman.*

Senate Antitrust and Monopoly Subcommittee expenditures, February through May 1959

S. Res. 57, Feb. 2, 1959	\$395, 000. 00
Expenditures:	
Petty cash	142. 54
Stationery	454. 72
Telephone	1, 349. 46
Telegraph	149. 05
Books, publications	56. 75
SEC special project	200. 00
Charts, etc	226. 53
Payroll	\$116, 235. 58
W. A. E.	6, 580. 11
Travel	122, 815. 69
Witness	4, 958. 60
.....	713. 63
Total	131, 066. 97
Unexpended balance as of June 1, 1959	263, 933. 03